

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

September 9, 2021

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clem Kaikis	Mark Harrison
Sharon Pinder	Mike Howard
Gina Ramsey	Anthony Williams
Kenny Oreagba	Timothy Smoot
Chuck Martin	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

August 12, 2021

EXTENSION

Lyles Cleaning Services, LLC

REPORT

Adventures By Dawn, LLC d/b/a Adventure Tours
MainStreet Technologies, Inc.

MODIFICATION

DTG Holding, Inc. dba Access Receivables Management
Mobtown Fermentation, LLC dba Wild Kombucha

The closed session of August 12, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Gina Ramsey, Chuck Martin, Sharon Pinder, Laura Pasternak, and Mara Sierocinski. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the extension request of Van Eron's Pro Soccer, LLC; and the new requests of T.L. Brown Contractor, LLC, ZWE Logistics, LLC, and YJ, LLC dba Inca Chicken. All the new requests were approved. The extension request for Van Eron's Pro Soccer, LLC was declined due to the lack of a motion.

1. T.L. Brown Contractor, LLC - \$50,000 EPIP line of credit
2. ZWE Logistics, LLC dba Compost Crew - \$300,000 Invest MD convertible note
3. YJ, LLC dba Inca Chicken - \$256,000 EPIP term loan

MINUTES

August 12, 2021

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: Lyles Cleaning Services, LLC

Loan Amount: \$150,000 Line of Credit (mobilization of up to \$25,000)

Original Approval Date: February 11, 2016

Comments: A 30-day approval extension to October 14, 2021, was requested to allow more time for the modification to close.

Discussion: The following was discussed:

1. A withholding tax lien recently filed against the company
2. The company's pending evidence of payment of the tax
3. The company's use of a payroll service

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

UPDATE

Presenter: Mark Harrison

Applicant: Stacato, LLC

Loan Amount: \$350,000 Invest Maryland Convertible Note

Original Approval Date: June 24, 2021

Comments: After the MSBDFA approval of the investment but prior to closing, Stacato received additional significant funding from the Department of Defense (“DoD”) to support the development of its products. Stacato decided to stop seeking outside financing in light of the DoD funding. The MSBDFA financing request will be rescinded.

Discussion: There was limited discussion regarding the update.

Action Taken: No action was required.

UPDATE

Presenter: Randy Croxton

Applicant: MainStreet Technologies, Inc.

Loan Amount: \$500,000 Contract Financing Line of Credit

Original Approval Date: December 10, 2015


Comments: Mr. Croxton reported that the renewal of the line of credit closed last week. The federal contract awards previously discussed will not be awarded until later in September.

Discussion: There was limited discussion regarding the update.

Action Taken: No action was required.

The Open Meeting then closed at 1:20 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

9-24-21

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: September 9, 2021

Time: 1:20 pm – 2:10 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/428 245 6027

Motion to close meeting made by: Gina Ramsey; Seconded by Clemis Kaikis

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee				
Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of				
Comptroller	[x]	[]	[]	[]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[x]	[]	[]	[]
Laura Pasternak	[]	[]	[]	[x]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[]	[]	[]	[x]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

_____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, *if* public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.


Celester Hall
Chair